

Filed for intro on 02/09/95
Senate Bill _____
By _____

House No. HR0010
By Joyce

A RESOLUTION to memorialize the Commissioners of Health and Finance and Administration to provide the members of the general assembly with vital and timely information concerning TennCare and the managed care organizations which provide health care services to TennCare recipients.

WHEREAS, the TennCare program is of vital social importance to the residents of this state; and

WHEREAS, the TennCare program operates through a waiver granted by the U. S. Department of Health and Human Services and is primarily administered through a private system of managed care organizations through which recipients receive their health care; and

WHEREAS, the managed care organizations are the critical components of this program; and

WHEREAS, the Tennessee Bureau of Investigation has been investigating activities relative to illegal enrollment of patients by at least one (1) managed care organizations; and

WHEREAS, another managed care organization has a history of disciplinary actions imposed against it, including the necessity of the department withholding the ten percent (10%) set aside at least twice from such managed care organization; and

WHEREAS, the very complexity of the TennCare program demands that members of the General Assembly should have access to essential information about the financial operations, viability and ability of each managed care organization to provide adequate care. However, there is a paucity of relevant information on this subject available to members of the general assembly; and

WHEREAS, much of the information the members of the General Assembly receive about the TennCare program is through the media, including information that the state of Tennessee will experience approximately a \$100,000,000.00 shortfall in the TennCare budget, and that many premiums due and payable were not billed nor collected by the Bureau of TennCare; and

WHEREAS, in addition, much of the financial information relative to the managed care organizations is purported to be confidential by the managed care organizations and is therefore not made available to recipients of their services, members of the public nor to members of the general assembly; and

WHEREAS, this General Assembly will be asked to vote on a budget for the 1995-96 fiscal year, including appropriating funds for TennCare, and to date we have been unable to obtain either accurate or complete information on the financial condition of the TennCare program; and

WHEREAS, due to the importance of this program, this legislature created a Select Oversight Committee on TennCare by means of the passage of Chapter 830 of the Public Acts of 1994. Through this legislation, a method of oversight was developed to keep the legislature apprised of critical information relative to TennCare and, among other provisions in §3-15-505(c) the commissioner of health is required to file in writing with the committee: "Any proposed expenditure of funds, including TennCare funds to managed care organizations (MCOs) or the distribution of supplemental pool funds to providers"; and

WHEREAS, this legislation further requires the commissioner of health to file in writing with the Oversight Committee proposed expenditures of funds or proposed expenditures for expanding or revising the TennCare program; and

WHEREAS, from January 1, 1994 through October 31, 1994, between \$13,000,000.00 and \$14,000,000.00 has been paid to managed care organizations for the first thirty (30) days of care for uninsured or uninsurable TennCare enrollees from the unallocated fund pool, but there is no evidence that the commissioner of health complied with the provisions of law by filing in writing such information with the Select Oversight Committee on TennCare; and

WHEREAS, on December 9, 1994, the Department of Health, Bureau of TennCare filed with the Government Operations Committee Emergency Rules including Rule 1200-13-12.08 (9)(b) which contained a new item never before presented to the general assembly, to wit:

(4) Payments to managed care organizations, should it be determined by the Department of Finance and Administration and the Bureau of TennCare that a managed care organization has, due to the start-up of TennCare, experienced financial difficulties, but appears to be a financially viable organization that is capable of providing contractually sound TennCare services. In these circumstances, a supplemental payment may be provided on a one-time basis. Such payment would be approved by the Commissioner of Finance and Administration;

These rules will not be heard by the Government Operations Committee until February 13, 1995; and

WHEREAS, if money is to be expended under this item, members of the general assembly must be made aware of any such expenditures in accordance with the requirements of Section 3-15-505; and

WHEREAS, the members of the general assembly, who are ultimately held responsible for assuring that public funds appropriated to the TennCare program has been properly expended, have been denied access to vital information on this subject, and at the same time

have been excluded from the decision-making process for this large expenditure of public monies; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, That this General Assembly hereby memorializes the Commissioner of the Department of Health to submit the written information, which the previous Commissioner did not file, with the Oversight Committee on TennCare nor with any other member of the Tennessee General Assembly, as required by Section 3-15-505, relative to the expenditure of funds distributed to managed care organizations providing health care to TennCare recipients which expenditure occurred in January, 1995, and any supplemental pool funds distributed to providers.

BE IT FURTHER RESOLVED, That the Commissioners of Health and Finance and Administration are further urged and encouraged to keep the legislature timely apprised, on an ongoing basis, of any significant concerns, problems or proposed revisions concerning the TennCare program. Time is of the essence for each member of the General Assembly to receive an explanation of the successes and failures of the TennCare program to date, including financial difficulties experienced by the program, as well as managed care organizations participating in the program.

BE IT FURTHER RESOLVED, That an appropriate copy of this resolution be forwarded to the Commissioner of Health and the Commissioner of Finance and Administration.